


ADDENDUM 001
Request For Proposal
Managed Care and PPO Network For Workers Compensation
Services
RFP 6-090519

Offerors should acknowledge receipt of Addendum 001 (ONE) by signing and including it with the original proposal. The due date for receipt of proposal has not changed by this Addendum. Accordingly, the following clarifications, questions and answers are believed to be of general interest to all potential Offerors. All other terms and conditions remain unchanged and in full force.

Name and Title of Signer (Print or type)	Name and Title of Department Authority Leann Kottwitz Senior General Services Specialist
Contractor/Offeror Signature	Department of Transportation 
(Signature of person authorized to sign)	(Authorizing Signature)
Date Signed:	Date Signed: 05/05/09

Question:

How does injury notification occur currently?

Response:

Injuries are to be reported by the injured employee to the supervisor immediately. The employee and supervisor are to complete the Field Injury Report and submit to the District Safety & Health Manager.

Question:

Please clarify what the current EDI capabilities are for MHTC.

Response:

MoDOT currently uses e-mail to correspond with the PPO. The PPO does not have access to the claims management system at MoDOT.

Question:

Does utilization review refer to precertification of medical services, concurrent review of inpatient stays & retrospective review of services **or** review of bills/invoices for appropriate billing by the provider (i.e. unbundling, duplicates, split billing, etc.)?

Response:

MoDOT adjusters will pre-certify treatment. The PPO will be responsible for reviewing invoices for appropriate billing.

Question:

Should this read MBE/WBE Participation Encouraged, rather than DBE/WBE?

Response:

Yes

Question:

Please advise who the incumbent Managed Care and PPO Network provide is, and please provide us with the current pricing structure.

Response:

Logicomp provides the PPO network, and KNA provides managed care services. (Please see pages immediately following questions and responses).

Question:

Does your current vendor have an electronic data interchange established with your RB?

Response:

No

Question:

Does your current vendor provide all services referenced in your Request for Proposal, or are their subcontractors involved as well?

Response:

Yes, there is a subcontractor - KNA provides the managed care services.

Question:

Will MDOT accept a % of Savings fee, which will remain flat for three years, for the PPO Savings, derived?

Response:

No

Question:

Will you consider having our staff onsite at your location?

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Response:

No

Question:

On the Contract Discount by Region Exhibit, Pharmacy discounts are requested. However, pharmacy is not mentioned in the rest of the RFP.

Is pharmacy a required element of the bid?

Response:

No

Question:

How many medical bills, excluding duplicates and excluding pharmacy, are processed each year, or on average, each month?

Response:

Approximately 6,000 per fiscal year.

Question:

Processing of duplicate bills: Does MoDOT identify duplicate bills and then keep from sending them to the PPO?

Response:

MoDOT makes every attempt to prevent sending duplicate bills for processing; however, there may be occasions that a bill gets sent more than once for discounting.

Question:

Would MoDOT require the PPO to produce a custom Explanation of Review, which MoDOT would then include with its payment to provider? Or does MoDOT create its own Explanation of Review within its claim system from the repricing summary sheet provided by PPO?

Response:

MoDOT expects the PPO to produce the Explanation of Benefit/Review, which would be sent to the provider with payment.

Question:

Given that a single employee may have multiple claims, we are assuming MoDOT puts the corresponding claim number on each medical bill prior to sending to PPO. Please confirm if our understanding is correct. If a medical provider inadvertently sends a bill directly to PPO, would the PPO then log receipt of the bill and send it to MoDOT for assignment of claim number and approval?

Response:

MoDOT identifies each invoice with case number and date of injury prior to sending it for discount. In the event a bill gets sent directly to the PPO, the PPO could e-mail it to MoDOT for identification prior to processing.

Question:

What is the total number of Med Only claims for the prior fiscal year?

Response:

449 new claims.

Question:

What is the total number of Lost Time/Indemnity claims for the prior fiscal year?

Response:

64 new claims.

Question:

What is the average Med Only claim cost total paid for the prior fiscal year?

Response:

\$1,961.51

Question:

What is the average Lost Time claim cost/total paid for the prior fiscal year?

Response:

\$19,387.07

Question:

What was the total number of Medical Bills paid for the prior fiscal year?

Response:

6,001

Question:

What were the total billed charges for the prior fiscal year?

Response:

\$4,529,826.51 sent to current PPO for processing.

Question:

What was the total medical payout for the prior fiscal year?

Response:

\$3,300,615.54 paid on invoices sent to PPO for processing. Total medical paid was actually \$4,073,318.02. This includes pharmacy charges, reimbursements to employees, etc.

Question:

What were the total medical billed charges and total paid in network for the prior fiscal year?

Response:

Unknown - current PPO does not break down charges by providers' in/out of network.

Question:

Does MoDOT currently have a pharmacy program in place? If not, is that of interest in relation to this RFP?

Response:

MoDOT is not currently contracted for a pharmacy program.

Question:

What is the current method utilized by employees to report a workplace injury?

Response:

Injuries are to be reported by the injured employee to the supervisor immediately. The employee and supervisor are to complete the Field Injury Report and submit to the District Safety & Health Manager.

SECTION (5)
PRICE PAGE

- (A) **FEE SCHEDULE:** The Offeror shall indicate below all fees for providing services in accordance with the provisions and requirements stated in this request for proposal. The Offeror shall agree and understand that the MHTC has the right to make multiple awards as a result of this RFP.

***MONTHLY PRICES**

ADMINISTRATION FEE FOR PPO NETWORKS AND RELATED SERVICES:

Initial Contract Period

\$9,975 firm, fixed price per month to provide and administer PPO networks and related services.

First Renewal Period

\$10,473 firm, fixed price per month to provide and administer PPO networks and related services.

Second Renewal Period

\$10,996 firm, fixed price per month to provide and administer PPO networks and related services.

(Pricing Page continued on next page)


Signature

4.4.07
Date

CONTRACT DISCOUNT BY REGION - PRICING EXHIBIT

Service Description	St. Joseph	Kirksville	Hannibal	Kansas City	Jefferson City/ Columbia	St. Louis	Springfield	Cape Girardeau
Physician Office Visit - Ortho	32%	32%	37%	52%	37%	35%	37%	35%
Physician Office Visit - Neuro	30%			32%	32%	35%	30%	30%
Hospital E.R.	32%	45%		47%	45%	47%	43%	42%
In-Patient Hospital	32%	45%		47%	45%	47%	43%	42%
Out-Patient Hospital	32%	45%		47%	45%	47%	43%	42%
Occupational Med. Clinic Visit	20%	17%		20%	22%	20%	22%	22%
Physical Therapy	34%	35%	35%	45%	47%	37%	38%	47%
IME	NDA	NDA	NDA	NDA	NDA	NDA	NDA	NDA
Pharmacy*	38%	38%	38%	38%	38%	38%	38%	38%
Radiology/Imaging	50%	35%		50%	50%	50%	50%	50%
Lab Testing	7%	20%		22%	20%	22%	18%	22%
Hosp. Daily per diem				\$825 med/surg; \$1995 surg ICU; and others				

NDA= No discount available

*Pharmacy plans available through special request

The above stated discounts are provided in accordance with the terms and conditions of this RFP.


 Authorized Signature

4.4.07
Date

PRICE PAGE

(continued)

The Offeror shall indicate below all fees for providing services in accordance with the provisions and requirements stated in this request for proposal. The Offeror shall agree and understand that the MHTC has the right to make multiple awards as a result of this RFP.

***PER HOUR PRICES**

CASE MANAGEMENT AND RELATED SERVICES

Initial Contract Period

\$58.00 professional/\$29.00 travel time, firm, fixed prices per hour to include, but not be limited to, case management, medical bill auditing, and other consulting services.

First Renewal Period

\$60.00 professional/\$30.00 travel time, firm, fixed prices per hour to include, but not be limited to, case management, medical bill auditing, and other consulting services.

Second Renewal Period

\$65.00 professional/\$32.50 travel time, firm, fixed prices per hour to include, but not be limited to, case management, medical bill auditing, and other consulting services.

(Pricing Page continued on the next page)


Signature

4/4/07
Date

(B) Cost Effectiveness Worksheet

The Offeror shall state the average and minimum discounts from standard fees for services provided in the Offerors PPO

AVERAGE discount from standard fees
Hospitals/medical care facilities = 33%

MINIMUM discount from standard fees
Hospitals/medical care facilities = 5%

AVERAGE discount from standard fees
Physicians/medical care specialists = 36%

MINIMUM discount from standard fees
Physicians/medical care specialists = 5%

If incorporated, name in which state:

MISSOURI

Signature

Date